



SEN. GEORGE RUNNER (RET.)

VICE CHAIR
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

March 6, 2015

Assembly Member Philip Y. Ting, Chair
Assembly Committee on Revenue and Taxation
1020 N Street, Room 167A
Sacramento, CA 95814

RE: ASSEMBLY BILL 358 (GROVE) – BOE: PAYMENT OF TAXES: UNIFORM GRACE PERIOD • SPONSOR •

Dear Assembly Member Ting,

I am pleased to sponsor Assembly Bill 358 (Grove), which, with respect to an electronic transmission, extends authorization for the Board of Equalization (BOE) to allow a uniform policy for the acceptance of payments, returns, and other information to ensure compliance with statutory due dates.

Under existing law, the BOE has adopted a uniform policy that allows for the acceptance of payments or documents mailed or delivered to the BOE as timely when the envelope is postmarked one day after the due date. These provisions do not apply, however, to electronic payments or electronic transmissions of documents or returns.

AB 358 seeks to create consistency in state law by establishing a uniform policy regarding the BOE's acceptance of electronic payments to match that of traditional paper filers. Under current law, taxpayers who initiate their electronic payment a few minutes late incur a late payment penalty and an entire month's interest charge simply because the electronic payment was not deposited into the state's bank account the day following the due date. Rather than continue to penalize these taxpayers, this bill will allow the BOE to establish a uniform policy for acceptance of such electronic payments as timely.

With an increasing number of taxpayers either required or encouraged to transmit their tax obligations to the BOE electronically, it is in the state's best interest to extend the courtesy of a 1-day grace period that is currently granted to paper filers. This will result in streamlined efficiencies, be significantly less cumbersome for those taxpayers seeking relief under existing law, and promote goodwill between the State of California and taxpayers.

For these reasons, I am pleased to sponsor AB 358 and urge your "aye" vote when it is heard before the Assembly Revenue and Taxation Committee on March 23.

GEORGE RUNNER
1st District

cc: Assemblywoman Shannon Grove
Julia King, Assembly Republican Consultant